

CITY OF MINNEAPOLIS
LICENSES AND CONSUMER SERVICES
350 SOUTH 5TH STREET, ROOM 1-C, CITY HALL
MINNEAPOLIS, MN 55415

**FINDINGS OF FACT
CONCLUSIONS, AND
RECOMMENDATIONS**

In the Matter of License No. L155 50609 SKYLINE FOOD MARKET
for FOOD GROCERY

Held by:
SKYLINE FOOD MARKET
ATTN: MUIN SHAKER MELHEM
2400 10TH AVE S
MINNEAPOLIS, MN 55404

10-0749653

Licenses: Food-Grocery-L155-50609 and Tobacco Dealer-L022-50821

Muin Melham, as sole proprietor of Skyline Foods, 2400 10th Avenue South, was sent a notice giving him an option of surrendering his licenses, stipulating to the violations and allowing the City Council to render a decision on adverse license action or contesting the evidence at a hearing conducted before an administrative law judge. Mr. Melham agreed that the evidence presented in the notice constitutes a possibility that that licenses for Skyline Foods would be revoked and decided to settle the matter as follows.

FINDINGS OF FACT

1. On November 8, 2005, Jafar, Inc signed business license operating conditions upon issuance of their grocery and tobacco dealer's licenses. The previous ownership sold their business after Minneapolis Police Department(MPD) found probably marijuana on the shelved inside the store.
2. In December 2006, a License Settlement Conference was held for failure of the licensee to comply with the business license operating conditions. Specific violations included failure to set up a 90 day trespassing system, failure to remove litter, failure to construct a dumpster enclosure, sale of single use tobacco products, having stainless steel scrubbers in the store and failure to meet with the Midtown Phillips Neighborhood Association. The store was given a thirty day suspension. Twenty three days of the suspension was stayed for no similar violation for a one year period beginning on the February 9, 2007 when the agreement was approved by the City Council. The store was closed for seven days from January 21, 2007 to January 28, 2007.
3. On November 15, 2007, a new application was received adding Mr. Muin Melhem as a shareholder in Jafar, Inc.

4. On January 7, 2008, Mr. Muin Melhem was in the store when Inspector Casey found Dice, single use tobacco products, and small zip-loc bags behind the counter and litter was not removed from 100 feet of the property in violation of the business license operating conditions. The twenty three day stayed suspension reinstated and served from January 15, 2008 to February 7, 2008.
5. In late January 2008, Mr. Muin Melhem applied for a new license as a sole proprietor. Mr. Melham also signed business license operating conditions for his business on February 1, 2008.
6. In January 2010, MPD were advised by an informant that employees of Skyline Foods, located at 2400 10th Avenue South was allegedly purchasing stolen goods. MPD conducted checks with undercover informants at the store. On several occasions, an employee allegedly purchased stolen goods from the MPD informants. On one occasion, the owner Mr. Melham was in the store and was offered stolen goods. Mr. Melham requested the informant return when his employee was present. A warrant was served on the store. Mr. Hussam Mosoud, as employee of Skyline Food, admitted to MPD that he knew he was purchasing stolen goods. He also admitted to purchasing cell phones from individuals coming into the store for that purpose.
7. MPD provided the Business License Division with a copy of its police reports concerning the incidents described in Number 6. Upon review of the reports, Inspector Casey issued a \$250 administrative citation to Mr. Melham for allowing second hand purchases without a license. A second \$200 administrative citation was issued for violating business license operating conditions by having scrubbing pads, glass pipes, and drug set ups (confiscated by MPD during the warrant). A third \$200 administrative citation was issued for failing to supervise an employee that resulted in an alleged criminal violation on the premises. Mr. Melham paid all three citations on February 2, 2010.
8. In review of this matter, Inspector Casey noticed that license applications filed in 2008, 2009, and 2010 all stated that Mr. Melham did not have any employees and thereby declared himself exempt from providing worker's compensation. MN worker's compensation laws only allow businesses to exempt employees from MN worker's compensation when a parent, spouse or child is employed in the business. Mr. Melham's employee was identified as his brother in law and is not exempt from the State of Minnesota worker's compensation laws.

CONCLUSIONS

1. Mr. Muin Melham, as owner of Skyline Foods, violated Minneapolis City Ordinance 259.250(9) by violating his business license operating conditions. Mr. Melham allowed scrubbing pads, glass pipes and drug sets up in the store which directly violated his business license operating conditions.
2. Mr. Muin Melham, as owner of Skyline Foods, violated Minneapolis City Ordinance 259.250(3) by failing to supervise his employee

resulting in alleged criminal activity on the premises. Mr. Melham's employee admitted, to MPD, that he purchased items that he knew were stolen property.

3. Mr. Muin Melham, as owner of Skyline Foods, violated Minneapolis City Ordinance 321.20 by allowing the purchase of second hand goods by his employee. Mr. Melham's employee admitted, to MPD, that he purchased cell phones from individuals coming to the store for that purpose.
4. Mr. Muin Melhem, as owner of Skyline Foods, violated Minneapolis City Ordinance 259.250(11) by reporting that he had no employees on his business license applications in 2008-2010.

RECOMMENDATIONS

1. Mr. Muin Melham, as the sole proprietor of Skyline Foods, agrees that his grocery and tobacco dealer's licenses business licenses (grocery and tobacco dealer) at 2400 10th Avenue South, will be withdrawn and the license certificate surrendered as of midnight June 30, 2010. A fully executed license withdrawal request will to completed and attached to this agreement as a good faith effort to comply with this agreement. Mr. Melham understands that if he does not close his business as agreed the Business License Department will proceed with all legal remedies available for operating without a license.
2. Mr. Muin Melham understands that this agreement is in lieu of an adverse license hearing before an administrative law judge and Minneapolis City Council. Mr. Melham agrees that he will not apply for a new business license in the City of Minneapolis until January 1, 2012.
3. Mr. Muin Melham understands that the business license operating conditions are in effect the entire duration of his licenses. Further documented violations of the business license operating conditions will result in an immediate scheduling of an adverse license action at the Minneapolis City Council and could result in the revocation of his business licenses,
4. Mr. Muin Melham has stated that Mr. Hussam Mosoud is no longer employed at Skyline Foods. Mr. Mosoud is required to be legally trespassed from the premises upon signature of this agreement. MPD should be advised if Mr. Mosoud appears on the premises.

Mr. Muin Melhem understands that the holding of a business or liquor license in the City of Minneapolis is both a privilege and a responsibility, and, as such, it is understood that there is a minimum standard that shall be met in order to hold such a license. Furthermore, it is understood that a license holder is responsible to ensure that its business operates in compliance with all applicable laws, ordinances and regulations. As such, it is understood and agreed that any violation of the above Recommendations shall constitute just and proper cause for the immediate imposition of any agreed upon or stayed penalties. It is further understood that compliance with the above

Recommendations is a requirement for continuing to hold a license and that failure to comply with any of these conditions may result in additional adverse license action.

I have read and understand the above findings of fact, conclusions, and recommendations. I agree with their contents and I agree with the above noted Recommendations. I understand that the failure of my business to adhere to this agreement may be cause for further suspension, revocation, or denial of my license. I understand that this report must be accepted and approved by the Minneapolis City Council and Mayor.

Based upon the foregoing, this agreement is FREELY & VOLUNTARILY ENTERED INTO IN GOOD FAITH:

Business

MUIN S MELHAM
d/b/a Skyline Food Market
By: [Signature]
(signature)

Its: _____
(title)

Dated: 3-29, 2010

For the City of Minneapolis:

[Signature]
Ricardo Cervantes
Deputy Director of Licenses

Dated: March 30, 2010

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LICENSES AND CONSUMER SERVICES
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APPLICATION FOR WITHDRAWAL/REFUND OF LICENSE FEE

Date: March 29, 2010

Official Name of License Applicant: Muin Shaker Melhem

Doing business as (DBA): Skyline Food Market

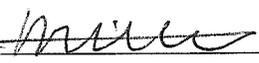
Address of Business: 2400 Tenth Avenue South

Minneapolis, MN. 55404

Type of License: Grocery & Tobacco

Amount of Refund Claimed: _____

Reason for Withdrawal/Refund Request: Per LSC Agreement

License Applicant's Signature:  3-29-10

Name (Printed): Muin Shaker Melhem

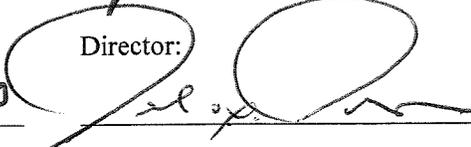
Mailing Address: 1845 85th Avenue Northeast, Blaine, MN. 55449

⁴
L155-50609 DEPARTMENT REPORT

License Number: L022-50821-308 Amount of Fee Paid: 1408⁻

Date of Fee Paid: 3-19-10 Amount of Refund Granted: 660⁻

Remarks: will be closing on 6-30-10 per LSC agreement Refund 1/2 - processing fee.

License Inspector: Judith A. Casey Date: 3-29-10 Director:  Date: 3-29-2010

Revenue Code 3110 09

Rev 9/04

Recommendations is a requirement for continuing to hold a license and that failure to comply with any of these conditions may result in additional adverse license action.

I have read and understand the above findings of fact, conclusions, and recommendations. I agree with their contents and I agree with the above noted Recommendations. I understand that the failure of my business to adhere to this agreement may be cause for further suspension, revocation, or denial of my license. I understand that this report must be accepted and approved by the Minneapolis City Council and Mayor.

Based upon the foregoing, this agreement is FREELY & VOLUNTARILY ENTERED INTO IN GOOD FAITH:

Business

MUIN S MGLAFU
d/b/a SKYLINE FOOD MARKET
By: [Signature]
(signature)

Its: _____
(title)

Dated: 3-29, 2010

For the City of Minneapolis:

[Signature]
Ricardo Cervantes
Deputy Director of Licenses

Dated: March 30, 2010